

# JOINT VENTURE AGREEMENT

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This Joint Venture Agreement (this "**Agreement**") is entered into as of [EFFECTIVE DATE] (the "**Effective Date**") by and between:

[PARTY A LEGAL NAME], a [STATE] [ENTITY TYPE, e.g. corporation] with its principal place of business at [PARTY A ADDRESS] ("**Party A**"); and

[PARTY B LEGAL NAME], a [STATE] [ENTITY TYPE] with its principal place of business at [PARTY B ADDRESS] ("**Party B**").

Party A and Party B are each a "**Party**" and together the "**Parties**." Each may also be referred to as a "**Venturer**."

**Recitals.** The Parties wish to combine certain of their resources, expertise, and capital to pursue a defined business opportunity described below (the "**Venture**"), while each remains a separate and independent business. The Parties intend this Agreement to govern that collaboration without creating a general partnership beyond the limited, project-specific scope of the Venture. In consideration of the mutual promises in this Agreement, the Parties agree as follows.

## 1. Purpose and Scope of the Venture

**1.1 Purpose.** The Parties form the Venture for the sole purpose of [DESCRIBE THE BUSINESS PURPOSE, e.g. jointly developing and marketing the Product/Project described in Exhibit A] (the "**Business Purpose**").

The Venture is limited to the Business Purpose and confers no rights with respect to any other business of either Party.

**1.2 Name.** The Venture may operate under the name [VENTURE NAME] for the limited purposes described in this Agreement.

**1.3 Scope limitation.** Neither Party grants the other any rights in its general business, products, or intellectual property except as expressly stated in this Agreement. Activities outside the Business Purpose are outside the Venture.

**1.4 Territory.** The Venture's activities are limited to [GEOGRAPHIC TERRITORY / MARKET] unless the Parties agree otherwise in writing.

## 2. Structure and Term

**2.1 Contractual venture.** The Venture is a contractual joint venture and, unless the Parties expressly elect otherwise in writing, does not form a separate legal entity. [OPTIONAL: The Parties will form a separate entity, [ENTITY NAME/TYPE], to hold the Venture, governed by a separate organizational agreement.]

**2.2 Term.** The Venture begins on the Effective Date and continues until the earlier of (a) completion of the Business Purpose, (b) [END DATE OR MILESTONE], or (c) termination under Section 9.

**2.3 No partnership beyond scope.** Except for the limited Venture purpose, the Parties do not intend to create, and this Agreement does not create, a general partnership, and neither Party is liable for the other's separate debts or obligations.

### 3. Capital Contributions

**3.1 Initial contributions.** Each Party will contribute the capital, assets, property, or services described for it in **Exhibit B** (each, a "**Contribution**") on the schedule stated there.

**3.2 Additional contributions.** Additional Contributions may be required only by the unanimous written agreement of the Parties. No Party is obligated to make additional Contributions absent such agreement.

**3.3 Valuation of in-kind contributions.** Non-cash Contributions are valued as stated in **Exhibit B**. Title to contributed property remains as specified in Exhibit B and does not transfer to the other Party except as expressly stated.

**3.4 No interest; no withdrawal of capital.** No Party earns interest on its Contributions, and no Party may withdraw its Contributions except on dissolution and distribution under Section 9.

### 4. Management and Governance

**4.1 Management committee.** The Venture is managed by a committee (the "**Management Committee**") consisting of **[NUMBER]** representatives appointed by each Party. Each Party may replace its representatives on written notice.

**4.2 Decisions.** Routine operational decisions within an approved budget may be made by the Management Committee by **[MAJORITY / CONSENSUS]**. The following Major Decisions require the unanimous written consent of both Parties: (a) approving or amending the budget; (b) admitting a new venturer; (c) incurring debt above **[AMOUNT]**; (d) selling or licensing Venture assets or intellectual property; (e) amending the Business Purpose; and (f) dissolving the Venture.

**4.3 Day-to-day operations.** The Parties may appoint a manager or operating Party responsible for day-to-day administration, acting within the authority the Management Committee grants in writing.

**4.4 Books and records.** The Venture will maintain complete and accurate books and records of its activities, accessible to each Party on reasonable notice. The Parties will agree on accounting methods and a fiscal year in **Exhibit B**.

### 5. Profits, Losses, and Distributions

**5.1 Sharing ratio.** Unless **Exhibit B** states otherwise, the Parties share the net profits and losses of the Venture in the following ratio: Party A **[%]** and Party B **[%]** (the "**Sharing Ratio**").

**5.2 Distributions.** The Management Committee will distribute available net cash flow to the Parties in proportion to the Sharing Ratio at the times it determines, after retaining reasonable reserves for the Venture's obligations.

**5.3 Expenses.** Venture expenses are paid from Venture funds. Each Party bears its own internal overhead unless the budget provides for reimbursement.

**5.4 Tax treatment.** Each Party is responsible for its own tax reporting arising from the Venture. **[OPTIONAL: The Parties intend the Venture to be treated as a partnership for tax purposes; consult a tax advisor.]**

### 6. Responsibilities and Exclusivity

**6.1 Responsibilities.** Each Party will perform the responsibilities allocated to it in **Exhibit A**, using reasonable skill and care and in a professional manner, and will devote the resources reasonably necessary to advance the Business Purpose.

**6.2 Exclusivity.** During the Term, within the Territory and for the Business Purpose, neither Party will **[engage in directly competing activities / pursue the same opportunity independently]**, except as the Parties agree in writing. Outside the Business Purpose, each Party is free to conduct its own business.

**6.3 Good faith.** Each Party will act in good faith toward the Venture and will not take action that intentionally undermines the Business Purpose.

## 7. Intellectual Property

**7.1 Background IP.** Each Party retains all right, title, and interest in intellectual property it owned or developed before this Agreement or independently of the Venture ("**Background IP**").

**7.2 Venture IP.** Intellectual property created jointly for the Venture ("**Venture IP**") is owned **[JOINTLY IN PROPORTION TO THE SHARING RATIO / AS STATED IN EXHIBIT A]**. Each Party grants the other the licenses necessary to use Venture IP for the Business Purpose during the Term.

**7.3 License of Background IP.** Each Party grants the Venture a non-exclusive, royalty-free license to use its Background IP solely as necessary for the Business Purpose during the Term. This license ends on termination, subject to Section 9.

## 8. Confidentiality

**8.1 Confidential Information.** "**Confidential Information**" means non-public information one Party discloses to the other or to the Venture that is marked confidential or that a reasonable person would understand to be confidential, including business plans, pricing, and technical information.

**8.2 Obligations.** Each Party will use Confidential Information only for the Business Purpose, protect it with at least reasonable care, and disclose it only to personnel and advisors who need it and are bound by confidentiality obligations at least as protective as these.

**8.3 Exclusions and survival.** The obligations do not apply to information that is public through no fault of the Receiving Party, was known before disclosure, is rightfully received from a third party, or is independently developed. This Section survives termination for **[NUMBER, e.g. 3]** years.

## 9. Termination and Dissolution

**9.1 Termination events.** The Venture terminates on (a) the events in Section 2.2, (b) the mutual written agreement of the Parties, (c) a material, uncured breach by a Party after **[NUMBER, e.g. 30]** days' written notice, or (d) the insolvency or dissolution of a Party.

**9.2 Wind-down.** On termination, the Parties will wind down the Venture, complete work in progress as reasonably necessary, collect receivables, and pay or provide for Venture liabilities.

**9.3 Distribution on dissolution.** After paying Venture liabilities and expenses, remaining assets are returned or distributed: contributed property to the contributing Party where title was retained, and remaining net assets in proportion to the Sharing Ratio.

**9.4 Survival.** Sections 7, 8, 10, and any provisions that by their nature should survive, survive termination.

## 10. General Provisions

10.1 **Limitation of liability.** To the extent permitted by applicable law, neither Party is liable to the other for indirect, incidental, special, consequential, or punitive damages arising out of the Venture.

10.2 **Governing law and venue.** This Agreement is governed by the laws of the State of [STATE], without regard to its conflict-of-laws rules. The Parties submit to the exclusive jurisdiction of the state and federal courts located in [COUNTY, STATE].

10.3 **Dispute resolution.** Before filing suit, the Parties will attempt in good faith to resolve any dispute through senior-management discussion within [NUMBER] days of written notice. [OPTIONAL: arbitration clause — discuss with counsel.]

10.4 **Assignment.** Neither Party may assign this Agreement or its interest in the Venture without the other's prior written consent.

10.5 **Notices.** Notices must be in writing and sent to the addresses above (or as updated in writing) and are effective on receipt.

10.6 **Entire agreement; amendment.** This Agreement, together with its Exhibits, is the entire agreement between the Parties on its subject and supersedes prior discussions. It may be amended only by a writing signed by both Parties.

10.7 **Severability and waiver.** If any provision is unenforceable, the rest remains in effect. A Party's failure to enforce a provision is not a waiver.

10.8 **Counterparts and electronic signature.** This Agreement may be signed in counterparts and by electronic signature, each of which is an original and all of which together form one agreement.

**IN WITNESS WHEREOF**, the Parties have executed this Agreement as of the Effective Date.

**PARTY A**

**PARTY B**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed name: [NAME]

Printed name: [NAME]

Title: [TITLE]

Title: [TITLE]

Date: \_\_\_\_\_

Date: \_\_\_\_\_

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